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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
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1. A meeting of all Heads of Sections (Abteilungsleiter) and Laboratory Chiefs (Laborleiter) of the two Development Departments (Entwicklungsbereiche) of Funkwerk Koepenick was held during the first week of March to review the achievements of 1953 and consider the prospects for 1954.
2. Franz Rehndorf, Head of Development Coordination, was in the chair and, in his opening statement, made the following points:
 - a. In 1953 the two development departments had 520 employees (divided approximately equally between them) and an allocation for development work of 12,000,000 DME;
 - b. Of the 44 tasks allotted to the Funkwerk for the year, 60% had been completed, some of those outstanding had been cancelled, and some were to run on into 1954.
 - c. Few of the instruments produced could compete in the export market because they compared unfavorably in size, weight and finish with Western products, and foreign purchasers preferred equipment which made use of standard international tubes;
 - d. The Ministry of Posts and Telecommunications had turned down the engineers' request for the exchange of information and experience with the other Satellite nations.¹
3. Wolfgang Bruske (well-known as an SED--East German Communist Party--member), Head of Development Department I (transmitters and receivers in the high-power range and commercial equipment), did not discuss in detail his department's shortcomings but attributed them to:

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STATE	x	ARMY	x	NAVY	x	AIR	x	FBI		AEC		ORR Ev	x	OSI Ev	x
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- a. shortages of measuring instruments and space;
- b. uncertainty about target dates;
- c. continual alterations of the specifications laid down in the Soviet Sea Register (sic);
- d. the allocation to design departments of work on consumer goods, in accordance with the New Course.²

He said that, to achieve improvement, it was essential that the program of tasks for each year be made available at the end of the preceding one, and not, as this year, still unknown at the beginning of March.

4. Dr. Heinrich Weber, Head of Development Department II (measuring and testing instruments) said that, of his department's 39 tasks, 16 had been completed on time and 23 had not. He attributed this to the inadequacy of the resources of the laboratory workshop which throughout the year had frequently had to do production work for reparations deliveries to the USSR.³ However, the workshop had now been reorganized and was under the supervision of Ploese (fnu).⁴
5. Walter Heine, the Technical Director, said that:
 - a. the investment program was to be reduced from 12,000,000 DME to 9,000,000 DME in 1954, and the Funkwerk must in future pay its way;
 - b. credits could still be requested, but they would have to be repaid in three years;
 - c. a contract for the equipping of a television studio in a People's Democracy had had to be turned down because resources and experience were lacking;
 - d. of 22 scientists employed in the Funkwerk, 6 had left during the course of the year; new ones were to be recruited;⁵
 - e. a new consolidated target-date schedule would be introduced, so that the progress of the various tasks might be better controlled;
 - f. the lapsed practice requiring each engineer to keep a daily record, so that anyone taking over a task could follow the course of previous work, would be revived;
 - g. the quarterly and output bonuses could not be paid because it had not yet been possible to obtain the necessary authorizing signatures from the Minister's office.
6. The meeting was then thrown open for discussion, but no one spoke. This apathy was possibly based on the fact that everyone knew that there could be no improvement in production while the chronic shortage of laboratory testing equipment continued; also, the meeting took place after working hours and, as it was regarded as a waste of time, everyone wanted to go home.
7. The nonpayment of bonuses caused considerable discontent among the eighty or ninety engineers entitled to draw them, that is, those who had a personal contract (Einzelvertrag). Another meeting, [redacted] was held on 23 March 1954 and completion figures were faked to show 101% fulfillment of tasks. Bonuses averaging about 1,400 DME were then paid on 26 and 27 March 1954. Sums amounting to about 80 DME each were paid to technicians without personal contracts, but no bonuses were paid to workmen.

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8. The references to production of consumer goods (para 3(d) above) and making the works pay its way (para 5 (a) above) tally with a belief, widely held among the engineers but not officially confirmed, that the Funkwerk's functions henceforth are to be less exclusively limited to the development field.
9. Increasing emphasis is being put upon the security of all development tasks. It has been announced that the long awaited new version of the general organization plan of the Funkwerk will not now be issued and all organization details must be kept in safes. Safes are being installed throughout the plant and more are awaited; doors are kept locked and Section TEE has been told to get used to the idea of becoming a secret section (Geheimabteilung). It is believed that the 1954 tasks have now been received from the Ministry, but will not be issued until these security measures have been completed.
10. Kollisionsschutzgeraet (anti-collision apparatus)
- Every effort is being made to have the equipment ready for testing in June or July. Difficulties are still being experienced in providing converters for the ship's mains (as the equipment works at 500 cycles) and high tension condensers for the mains unit of the impulse transmitter. On 16 March 1954 the Funkwerk received 10 klystrons type 723 A and 10 mixer detectors type IN 23 A (thought to be of U.S. origin).⁶
11. Funkfeuer (radio beacon)
- No site is known to have been chosen for this equipment and it is believed that it will be installed in a new lightship, which is expected to be completed in about a year's time.
12. Funkleitfeuer (radio beacon)
- The installation of this equipment at Sassnitz is to be completed in the course of the summer.
13. Rundecholot
- This equipment, the postponement of the development of which has already been reported, is to have a circular characteristic and will not merely measure the depth of water, like other sounding instruments.⁷
14. Goniometerpeilgeraet (Goniometer DF set)
- It is anticipated that work will be started in July or August on the receiver for a second type of goniometer DF set.
15. Ultrashort wave transmitter
- At Reinsberg, Fehrbellin, two transmitters are to be worked with one aerial. One transmitter was on the air from 24 to 26 March 1954, using a frequency filter and sending the Berlin III program on an experimental frequency of 95.2 mcs. The second transmitter is not yet ready; so far it has not been possible to determine whether it is to be used as a jamming transmitter or not, but the balance of the attenuation range of the filter lies in the RIAS frequency (die Differenz des Dampfungsbereichs der Weiche liegt in der RIAS-Frequenz).

1. Comment: of this request. The engineers had no illusions about the reasons for its refusal: visits to the other Satellites would immediately disprove propaganda claims about their progress.

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[] Comment: Drawings have been made for an electric coffee mill and one prototype has been built. See also paragraph 8.

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[] Comment: This reparations work was in fact the building of oscillographs; these had now been completed []

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[] Comment: Floese, an SED member, was formerly employed as a business manager (Betriebsleiter) at VEB Funkwerk Dabendorf; his post at Koepenick could not be regarded as promotion.

[] Comment: [] not know how the figure of 22 was reached, but assume that the term "Wissenschaftler" includes all those in receipt of high salaries, such as Preissner (fnu) who worked for Dr. Erich Schuettloeffel.

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